

The Honorable Ricardo S. Martinez

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

CAROL L. ENGEN, KING COUNTY, and
QUALSTAR CREDIT UNION,

Defendants.

Case No. 2:18-cv-00712-RSM

**STIPULATION REGARDING
PRIORITY**

The United States of America (“United States”) and King County, by and through their respective undersigned counsel, agree and stipulate as follows:

1. On May 16, 2018, the United States commenced this action, seeking, *inter alia*, to reduce federal tax assessments against Carol L. Engen to judgment, and foreclose federal tax liens on real property located in King County (“Subject Property”). Dkt. No. 1.

2. The Subject Property is commonly referred to as 16423 NE 15th Street, Bellevue, WA 98008, bearing King County Assessor’s Parcel No. 329830-0450, and legally described as follows:

LOT 26, BLOCK 2, HIGHLAND HILLS NO. 2, ACCORDING TO THE
PLAT THEREOF RECORDED IN VOLUME 62 OF PLATS, PAGE 74,

RECORDS OF KING COUNTY, WASHINGTON.

See Dkt. No. 1, at ¶ 8.

3. King County was named as a defendant in this matter pursuant to 26 U.S.C. § 7403(b) because it may have an interest in the Subject Property. Dkt. No. 1, at ¶ 6.

4. King County's interest in the Subject Property is for any unpaid real property taxes, which are secured by liens that encumber the subject property pursuant to RCW 84.60.020.

5. To the extent there is any unpaid amount owed to King County to which 26 U.S.C. § 6323(b)(6) applies, on the date of the sale of the Subject Property, such amount will be pro-rated through the date of the sale confirmation, and will have priority over the United States' federal tax liens and judgment lien against the Subject Property.

6. In the event the Court orders the sale of the Subject Property, the Subject Property will be sold free and clear of all the interests of the parties to this case. The proposed Order of Foreclosure and Judicial Sale submitted by the United States shall provide that the sale proceeds will be distributed first to the Internal Revenue Service to the extent of its costs and expenses of the sale; second to King County to satisfy any amounts described in Paragraph 4, above; third to the United States for federal tax liens; and fourth to the Clerk of the Court for any balance remaining after the above payments until further order of the Court. If the affected parties cannot stipulate to the amounts of their liens, the parties shall file written briefs setting forth their positions and the Court shall determine the amounts of the liens.

7. In the event King County initiates collection procedures for unpaid property taxes against the Subject Property while this action is pending, including but not limited to, assignment of the property tax liens, King County shall notify counsel for the United States, in writing, prior to initiating such action.

8. The United States and King County agree to bear their own respective costs related to this litigation, including any possible attorney's fees, except costs of sale, which are paid out of the sale proceeds, ahead of any other party, as detailed in Paragraph 6, above. In addition, King County will be bound by the Court's Order of Sale of the Subject Property, and the United States will not seek any monetary judgment against King County.

DATED: July 17, 2020

RICHARD E. ZUCKERMAN
Principal Deputy Assistant Attorney General

/s/ Rika Valdman
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DATED: July 17, 2020

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ORDER

The foregoing Stipulation between the United States and King County is APPROVED.
SO ORDERED.

DATED this 20th day of July, 2020.



RICARDO S. MARTINEZ
CHIEF UNITED STATES DISTRICT JUDGE

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of July, 2020, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will send notice of such filing to the following CM/ECF participant(s):

Jennifer H. Atchison (jennifer.atchison@kingcounty.gov)
Attorney for King County

Carol L. Engen (washnative@comcast.net)
Pro Se Defendant

s/ Rika Valdman
RIKA VALDMAN
Trial Attorney, Tax Division
U.S. Department of Justice